

House Bill 796

In The House

February 17, 1981	Introduced and referred to Committee on Fish and Game.
February 24, 1981	Committee recommend bill do pass.  Bill printed and placed on members' desks.
February 25, 1981	Second reading do pass.  On motion rules suspended and bill placed on third reading this day.  Third reading passed.

In The Senate

March 3, 1981	Introduced and referred to Committee on State Administration.
March 6, 1981	Fiscal note requested.
March 10, 1981	Fiscal note returned.
March 26, 1981	Committee recommend bill not concurred.

In The House

March 27, 1981	Returned from Senate not concurred.
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1 *House* BILL NO. *796*  
 2 INTRODUCED BY *Richard E. Manning*

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE ISSUANCE  
 5 OF A CERTIFICATE OF OWNERSHIP FOR CERTAIN WATERCRAFT AND  
 6 CHANGING THE EXPIRATION DATE OF A CERTIFICATE OF NUMBER TO  
 7 JANUARY 1 OF EACH YEAR; AMENDING SECTIONS 23-2-502 AND  
 8 23-2-512, MCA; AND PROVIDING AN EFFECTIVE DATE."

9  
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 23-2-502, MCA, is amended to read:

12 "23-2-502. Definitions. As used in this part, unless  
 13 the context clearly requires a different meaning, the  
 14 following definitions apply:

15 (1) "Certificate of number" means the certificate  
 16 issued annually by the county treasurer to the owner of a  
 17 motorboat or by the division of motor vehicles to dealers or  
 18 manufacturers, assigning such motorboat an identifying  
 19 number and containing such information as required.

20 ~~(2) "Certificate of ownership" means the document~~  
 21 ~~issued by the division of motor vehicles as prima facie~~  
 22 ~~evidence of ownership.~~

23 (2)(3) "Department" means the department of fish,  
 24 wildlife, and parks of the state of Montana.

25 (3)(4) "Documented vessel" means a vessel which has

1 and is required to have a valid marine document as a vessel  
 2 of the United States.

3 (4)(5) "Identifying number" means the boat number set  
 4 forth in the certificate of number and properly displayed on  
 5 the motorboat.

6 (5)(6) "License decals" means the serially numbered  
 7 license stickers issued annually by the county treasurer and  
 8 displayed as required by law.

9 (6)(7) "Motorboat" means any vessel propelled by any  
 10 machinery, motor, or engine of any description, whether or  
 11 not such machinery, motor, or engine is the principal source  
 12 of propulsion. The term includes boats temporarily equipped  
 13 with detachable motors or engines but does not include a  
 14 vessel which has a valid marine document issued by the U.S.  
 15 coast guard of the United States government or any federal  
 16 agency successor thereto.

17 (7)(8) "Operate" means to navigate or otherwise use a  
 18 motorboat or a vessel.

19 (8)(9) "Operator" means the person who navigates,  
 20 drives, or is otherwise in immediate control of a motorboat  
 21 or vessel.

22 (9)(10) "Owner" means a person, other than a lien  
 23 holder, having the property in or title to a motorboat or  
 24 vessel. The term includes a person entitled to the use or  
 25 possession of a motorboat or vessel subject to an interest

1 in another person, reserved or created by an agreement  
 2 securing payment or performance of an obligation, but the  
 3 term excludes a lessee under a lease not intended as  
 4 security.

5 ~~(10)~~(11) "Passenger" means every person carried on  
 6 board a vessel other than:

- 7 (a) the owner or his representative;
- 8 (b) the operator;
- 9 (c) bona fide members of the crew engaged in the  
 10 business of the vessel who have contributed no consideration  
 11 for their carriage and who are paid for their services; or
- 12 (d) any guest on board a vessel which is being used  
 13 exclusively for pleasure purposes who has not contributed  
 14 any consideration, directly or indirectly, for his carriage.

15 ~~(11)~~(12) "Person" means an individual, partnership,  
 16 firm, corporation, association, or other entity.

17 ~~(12)~~(13) "Uniform state waterway marking system" means  
 18 one of two categories:

- 19 (a) a system of aids to navigation to supplement the  
 20 federal system of marking in state waters;
- 21 (b) a system of regulatory markers to warn a vessel  
 22 operator of dangers or to provide general information and  
 23 directions.

24 ~~(13)~~(14) "Vessel" means every description of  
 25 watercraft, unless otherwise defined by the department,

1 other than a seaplane on the water, used or capable of being  
 2 used as a means of transportation on water.

3 ~~(14)~~(15) "Waters of this state" means any waters within  
 4 the territorial limits of this state."

5 NEW SECTION. Section 2. Certificate of ownership. (1)  
 6 No vessel equal to or exceeding 11 feet in length, excluding  
 7 canoes and kayaks, may be operated on the waters of this  
 8 state unless a certificate of ownership is obtained from the  
 9 division of motor vehicles.

10 (2) The owner of the vessel shall apply, on forms  
 11 prepared and furnished by the division, for a certificate of  
 12 ownership with the county treasurer of the county in which  
 13 the owner resides.

14 (3) The application must be signed by at least one  
 15 owner or by a properly authorized officer or representative  
 16 of the owner.

17 (4) If a certificate of ownership has previously been  
 18 issued, the application for a new certificate must be  
 19 accompanied by the immediately previous certificate. This  
 20 subsection does not apply to vessels that are purchased as  
 21 new and unused crafts or that were operated before January  
 22 1, 1982.

23 (5) Upon receipt of the completed application, the  
 24 county treasurer shall issue to the applicant two copies of  
 25 the application, with one marked "file copy". The treasurer

1 shall forward one copy and the original application to the  
 2 division, which shall enter the information contained in the  
 3 application upon the corresponding records of its office,  
 4 and shall furnish the applicant a certificate of ownership  
 5 containing information from the application considered  
 6 necessary by the division and a permanent ownership number.  
 7 The certificate of ownership is not required to be renewed  
 8 annually and is valid as long as the person holding it owns  
 9 the vessel.

10 (6) The owner shall at all times retain possession of  
 11 the certificate of ownership, except when it is being  
 12 transmitted to and from the division for endorsement or  
 13 cancellation.

14 (7) Upon application for a certificate of ownership, a  
 15 fee of \$3 must be paid to the county treasurer, \$2 of which  
 16 must be forwarded by the county treasurer to the division of  
 17 motor vehicles and deposited in the motor vehicle recording  
 18 account of the earmarked revenue fund.

19 (8) No provision in this section prohibits an owner of  
 20 a vessel under 11 feet in length or a canoe or kayak from  
 21 applying for and receiving a certificate of ownership under  
 22 subsections (1) through (7).

23 NEW SECTION. Section 3. Transfer of interest. (1)  
 24 Except as provided in subsection (3), upon transfer of any  
 25 certificate of ownership to a registered vessel the person

1 whose title or interest is to be transferred shall sign the  
 2 certificate of ownership issued for the vessel. This  
 3 signature must be acknowledged before a notary public.

4 (2) Within 20 calendar days thereafter, the transferee  
 5 shall apply for transfer of the endorsed certificate of  
 6 ownership with the county treasurer of the county in which  
 7 the transferee resides and also apply for registration of  
 8 the vessel. The county treasurer shall forward the  
 9 application to the division of motor vehicles, which shall  
 10 file it upon receipt. No certificate of ownership may be  
 11 issued by the division until the outstanding certificates  
 12 are surrendered to that office or their loss is established.  
 13 The county treasurer shall collect a fee of \$3 for each  
 14 application for transfer of ownership, \$2 of which must be  
 15 forwarded to the division of motor vehicles for deposit in  
 16 the motor vehicle recording account of the earmarked revenue  
 17 fund.

18 (3) A purchaser of a new or used vessel from a  
 19 licensed dealer has a grace period of 20 calendar days from  
 20 the date of purchase to register the vessel and apply for a  
 21 certificate of ownership. It is not a violation for the  
 22 purchaser to operate a newly acquired vessel without a  
 23 certificate of ownership or certificate of registration  
 24 during the 20-day period. During this period the sticker,  
 25 provided for in subsection (4), shall remain affixed to the

1 vessel.

2 (4) Before delivery of a vessel to the purchaser, the  
3 dealer shall issue and affix to the vessel a sticker (in a  
4 form to be prescribed by the division of motor vehicles).  
5 The sticker must contain the name and address of the  
6 purchaser, the date of sale, the name and address of the  
7 dealer, and a description of the vessel, including its  
8 serial number. The dealer shall keep a copy of the sticker  
9 for his records and shall send a copy of the sticker to the  
10 division.

11 (5) The provisions of subsection (2) of this section  
12 do not apply to the transfer of a vessel to a licensed  
13 dealer intending to resell the vessel and who operates it  
14 only for demonstration purposes, but every dealer, upon  
15 transferring the interest, shall deliver the certificate of  
16 ownership with an application for a new certificate executed  
17 by the new owner. The division, upon receipt of the  
18 certificate of ownership and application for a new  
19 certificate, together with the conditional sales contract or  
20 other lien, if any, shall issue a new certificate of  
21 ownership together with a statement of any conditional sales  
22 contract, mortgage, or other lien.

23 NEW SECTION. Section 4. Lost or mutilated  
24 certificates. If a certificate of ownership is lost,  
25 mutilated, or becomes illegible, the person to whom it was

1 mutilated, or becomes illegible, the person to whom it was  
2 issued shall immediately apply for and obtain a duplicate,  
3 upon payment of a fee of \$2 to the county treasurer.

4 Section 5. Section 23-2-512, MCA, is amended to read:  
5 "23-2-512. Identification number. (1) The owner of  
6 each motorboat requiring numbering by this state shall file  
7 an application for number in the office of the county  
8 treasurer where the motorboat is owned or taxable on forms  
9 prepared and furnished by the division of motor vehicles.  
10 The application must be signed by the owner of the motorboat  
11 and be accompanied by a fee of \$1. Any alteration, change,  
12 or false statement contained in the application will render  
13 the certificate of number void. Upon receipt of the  
14 application in approved form, the county treasurer shall  
15 issue to the applicant a certificate of number prepared and  
16 furnished by the division of motor vehicles, stating the  
17 number assigned to the motorboat and the name and address of  
18 the owner.

19 (2) Before filing the application with the county  
20 treasurer, the applicant shall submit it to the county  
21 assessor, who shall enter on the application, in a space to  
22 be provided for that purpose, the market value and taxable  
23 value of the motorboat for the year for which the  
24 application for registration is made.

25 (3) The applicant, upon the filing of the application,

1 shall pay to the county treasurer the registration fee and  
 2 the personal property taxes assessed against the motorboat  
 3 or vessel for the current year of registration before the  
 4 application for registration or reregistration may be  
 5 accepted by the county treasurer.

6 (4) Should the ownership of a motorboat change, a new  
 7 application form with fee must be filed within a reasonable  
 8 time with the county treasurer and a new certificate of  
 9 number assigned in the same manner as provided for in an  
 10 original assignment of number.

11 (5) If an agency of the United States government has  
 12 in force a comprehensive system of identification numbering  
 13 for motorboats in the United States, the numbering system  
 14 employed pursuant to this part by the division of motor  
 15 vehicles must be in conformity.

16 (6) Every certificate of number and the license decals  
 17 assigned under this part continues in effect for a period  
 18 not to exceed 1 year unless terminated or discontinued in  
 19 accordance with the provisions of this part. Certificates of  
 20 number and license decals must show the date of expiration  
 21 and may be renewed by the owner in the same manner provided  
 22 for in the initial securing of the certificate.

23 (7) Certificates of number expire on ~~April 30~~ January  
 24 1 of each year and may not be in effect unless renewed under  
 25 this part.

1 (8) In event of transfer of ownership, the purchaser  
 2 shall furnish the county treasurer notice within a  
 3 reasonable time of the acquisition of all or any part of his  
 4 interest, other than the creation of a security interest, in  
 5 a motorboat numbered in this state or of the loss, theft,  
 6 destruction, or abandonment of the motorboat. The transfer,  
 7 loss, theft, destruction, or abandonment terminates the  
 8 certificate of number for the motorboat. Recovery from theft  
 9 or transfer of a part interest that does not affect the  
 10 owner's right to operate the motorboat does not terminate  
 11 the certificate of number.

12 (9) A holder of a certificate of number shall notify  
 13 the county treasurer within reasonable time if his address  
 14 no longer conforms to the address appearing on the  
 15 certificate and furnish the county treasurer with his new  
 16 address. The division of motor vehicles may provide by rule  
 17 for the surrender of the certificate bearing the former  
 18 address and its replacement with a certificate bearing the  
 19 new address or the alteration of an outstanding certificate  
 20 to show the new address of the holder.

21 (10) (a) The number assigned must be painted on or  
 22 attached to each outboard side of the forward half of the  
 23 motorboat or, if there are no such sides, at a corresponding  
 24 location on both outboard sides of the foredeck of the  
 25 motorboat. The number assigned must read from left to right

1 in Arabic numerals and block characters of good proportion  
 2 at least 3 inches tall excluding border or trim of a color  
 3 that contrasts with the color of the background and be so  
 4 maintained as to be clearly visible and legible. The number  
 5 may not be placed on the obscured underside of the flared  
 6 bow where it cannot be easily seen from another vessel or  
 7 ashore. No numerals, letters, or devices other than those  
 8 used in connection with the identifying number issued may be  
 9 placed in the proximity of the identifying number. No  
 10 numerals, letters, or devices that might interfere with the  
 11 ready identification of the motorboat by its identifying  
 12 number may be carried as to interfere with the motorboat's  
 13 identification. No number other than the number and license  
 14 decal assigned to a motorboat or granted reciprocity under  
 15 this part may be painted, attached, or otherwise displayed  
 16 on either side of the forward half of the motorboat.

17 (b) The certificate of number shall be pocket size and  
 18 available to federal, state, or local law enforcement  
 19 officers at all reasonable times for inspection on the  
 20 motorboat whenever the motorboat is on waters of this state.

21 (c) Boat liveries are not required to have the  
 22 certificate of number on board each motorboat, but a rental  
 23 agreement must be carried on board livery motorboats in  
 24 place of the certificate of number.

25 (11) Fees collected under this section shall be

1 transmitted to the state treasurer who shall deposit the  
 2 fees in the motorboat certificate identification account of  
 3 an earmarked revenue fund. These fees shall be used only for  
 4 the administration and enforcement of this part, as amended.

5 (12) An owner of a motorboat must within a reasonable  
 6 time notify the division of motor vehicles, giving the  
 7 motorboat's identifying number and the owner's name when  
 8 that motorboat becomes documented as a vessel of the United  
 9 States or is transferred, lost, destroyed, abandoned, or  
 10 frauded or within 60 days after change of state of principal  
 11 use."

12 Section 6. Codification instruction. Sections 2  
 13 through 4 are intended to be codified as an integral part of  
 14 Title 23, chapter 2, part 5, and the provisions of Title 23,  
 15 chapter 2, apply to sections 2 through 4.

16 Section 7. Effective date. This act is effective  
 17 January 1, 1982.

-End-

## STATE OF MONTANA

REQUEST NO. 425-81

## FISCAL NOTE

Form BD-15

In compliance with a written request received March 9, 19 81, there is hereby submitted a Fiscal Note for House Bill 796 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

Description of Proposed Legislation

House Bill 796 is an act requiring the issuance of a certificate of ownership for certain watercraft and changing the expiration date of a certificate of number to January 1 of each year.

Assumptions

1. There are approximately 31,000 self-propelled watercraft in Montana.
2. There will be approximately 6,000 titles transferred or new titles issued each year.

Fiscal Impact

From experience with snowmobiles, it is assumed that owners of most of the 31,000 existing boats will not have legal proof of ownership. The Motor Vehicle Division will have to search their records to ascertain any conflict of ownership. Applications will have to be certified for accurate and complete information. Letters will have to be written to correct errors. Information must be entered on the computer file and records must be microfilmed. Anticipated costs are:

	<u>FY 1982</u>	<u>FY 1983</u>
Personal Services:		
3.0 FTE for FY 1982 and 2.0 FTE for FY 1983	\$ 30,600	\$ 24,246
Operating Expenses:		
Printing of forms	\$ 20,190	\$ 4,047
Postage	4,000	3,309
Data Processing	6,820	1,320
Microfilm	250	50
Total Operating Expense	\$ 31,260	\$ 8,725
TOTAL PROGRAM COST	\$ 61,860	\$ 32,971
TOTAL BIENNIUM COST (Earmarked Revenue)		\$94,831

Impact on State RevenueGross Revenue (to earmarked revenue account)

	<u>FY 1982</u>	<u>FY 1983</u>
31,000 titles at \$2.00	\$62,000	\$ -
6,000 titles at \$2.00	\$ -	\$12,000

Impact on Local Government Revenue

There may be additional costs incurred at the county level but they cannot be determined.

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-10-81

Gross Revenue to counties - 31,000 titles at \$1 = \$31,000 FY 1982, \$6,000 FY 1983



Approved by Comm.  
on Fish and Game

1 *House* BILL NO. *796*  
2 INTRODUCED BY *Richard E. Manning*

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13 the context clearly requires a different meaning, the  
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16 issued annually by the county treasurer to the owner of a  
17 motorboat or by the division of motor vehicles to dealers or  
18 manufacturers, assigning such motorboat an identifying  
19 number and containing such information as required.

20 ~~(2) "Certificate of ownership" means the document~~  
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 10 business of the vessel who have contributed no consideration  
 11 for their carriage and who are paid for their services; or
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 12 ownership with the county treasurer of the county in which  
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 15 owner or by a properly authorized officer or representative  
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 15 fee of \$3 must be paid to the county treasurer, \$2 of which  
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1 vessel.

2 (4) Before delivery of a vessel to the purchaser, the  
3 dealer shall issue and affix to the vessel a sticker (in a  
4 form to be prescribed by the division of motor vehicles).  
5 The sticker must contain the name and address of the  
6 purchaser, the date of sale, the name and address of the  
7 dealer, and a description of the vessel, including its  
8 serial number. The dealer shall keep a copy of the sticker  
9 for his records and shall send a copy of the sticker to the  
10 division.

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23 NEW SECTION. Section 4. Lost or mutilated  
24 certificates. If a certificate of ownership is lost,  
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1 mutilated, or becomes illegible, the person to whom it was  
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 14 employed pursuant to this part by the division of motor  
 15 vehicles must be in conformity.

16 (6) Every certificate of number and the license decals  
 17 assigned under this part continues in effect for a period  
 18 not to exceed 1 year unless terminated or discontinued in  
 19 accordance with the provisions of this part. Certificates of  
 20 number and license decals must show the date of expiration  
 21 and may be renewed by the owner in the same manner provided  
 22 for in the initial securing of the certificate.

23 (7) Certificates of number expire on ~~April 30~~ January  
 24 1 of each year and may not be in effect unless renewed under  
 25 this part.

1 (8) In event of transfer of ownership, the purchaser  
 2 shall furnish the county treasurer notice within a  
 3 reasonable time of the acquisition of all or any part of his  
 4 interest, other than the creation of a security interest, in  
 5 a motorboat numbered in this state or of the loss, theft,  
 6 destruction, or abandonment of the motorboat. The transfer,  
 7 loss, theft, destruction, or abandonment terminates the  
 8 certificate of number for the motorboat. Recovery from theft  
 9 or transfer of a part interest that does not affect the  
 10 owner's right to operate the motorboat does not terminate  
 11 the certificate of number.

12 (9) A holder of a certificate of number shall notify  
 13 the county treasurer within reasonable time if his address  
 14 no longer conforms to the address appearing on the  
 15 certificate and furnish the county treasurer with his new  
 16 address. The division of motor vehicles may provide by rule  
 17 for the surrender of the certificate bearing the former  
 18 address and its replacement with a certificate bearing the  
 19 new address or the alteration of an outstanding certificate  
 20 to show the new address of the holder.

21 (10) (a) The number assigned must be painted on or  
 22 attached to each outboard side of the forward half of the  
 23 motorboat or, if there are no such sides, at a corresponding  
 24 location on both outboard sides of the foredeck of the  
 25 motorboat. The number assigned must read from left to right

1 in Arabic numerals and block characters of good proportion  
2 at least 3 inches tall excluding border or trim of a color  
3 that contrasts with the color of the background and be so  
4 maintained as to be clearly visible and legible. The number  
5 may not be placed on the obscured underside of the flared  
6 bow where it cannot be easily seen from another vessel or  
7 ashore. No numerals, letters, or devices other than those  
8 used in connection with the identifying number issued may be  
9 placed in the proximity of the identifying number. No  
10 numerals, letters, or devices that might interfere with the  
11 ready identification of the motorboat by its identifying  
12 number may be carried as to interfere with the motorboat's  
13 identification. No number other than the number and license  
14 decal assigned to a motorboat or granted reciprocity under  
15 this part may be painted, attached, or otherwise displayed  
16 on either side of the forward half of the motorboat.

17 (b) The certificate of number shall be pocket size and  
18 available to federal, state, or local law enforcement  
19 officers at all reasonable times for inspection on the  
20 motorboat whenever the motorboat is on waters of this state.

21 (c) Boat liveries are not required to have the  
22 certificate of number on board each motorboat, but a rental  
23 agreement must be carried on board livery motorboats in  
24 place of the certificate of number.

25 (11) Fees collected under this section shall be

1 transmitted to the state treasurer who shall deposit the  
2 fees in the motorboat certificate identification account of  
3 an earmarked revenue fund. These fees shall be used only for  
4 the administration and enforcement of this part, as amended.

5 (12) An owner of a motorboat must within a reasonable  
6 time notify the division of motor vehicles, giving the  
7 motorboat's identifying number and the owner's name when  
8 that motorboat becomes documented as a vessel of the United  
9 States or is transferred, lost, destroyed, abandoned, or  
10 frauded or within 60 days after change of state of principal  
11 use."

12 Section 6. Codification instruction. Sections 2  
13 through 4 are intended to be codified as an integral part of  
14 Title 23, chapter 2, part 5, and the provisions of Title 23,  
15 chapter 2, apply to sections 2 through 4.

16 Section 7. Effective date. This act is effective  
17 January 1, 1982.

-End-

1 *HOUSE* BILL NO. *796*  
 2 INTRODUCED BY *Richard E. Manning*

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE ISSUANCE  
 5 OF A CERTIFICATE OF OWNERSHIP FOR CERTAIN WATERCRAFT AND  
 6 CHANGING THE EXPIRATION DATE OF A CERTIFICATE OF NUMBER TO  
 7 JANUARY 1 OF EACH YEAR; AMENDING SECTIONS 23-2-502 AND  
 8 23-2-512, MCA; AND PROVIDING AN EFFECTIVE DATE."

9  
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 23-2-502, MCA, is amended to read:  
 12 "23-2-502. Definitions. As used in this part, unless  
 13 the context clearly requires a different meaning, the  
 14 following definitions apply:

15 (1) "Certificate of number" means the certificate  
 16 issued annually by the county treasurer to the owner of a  
 17 motorboat or by the division of motor vehicles to dealers or  
 18 manufacturers, assigning such motorboat an identifying  
 19 number and containing such information as required.

20 ~~(2) "Certificate of ownership" means the document~~  
 21 ~~issued by the division of motor vehicles as prima facie~~  
 22 ~~evidence of ownership.~~

23 (2)(3) "Department" means the department of fish,  
 24 wildlife, and parks of the state of Montana.

25 (3)(4) "Documented vessel" means a vessel which has

1 and is required to have a valid marine document as a vessel  
 2 of the United States.

3 (4)(5) "Identifying number" means the boat number set  
 4 forth in the certificate of number and properly displayed on  
 5 the motorboat.

6 (5)(6) "License decals" means the serially numbered  
 7 license stickers issued annually by the county treasurer and  
 8 displayed as required by law.

9 (6)(7) "Motorboat" means any vessel propelled by any  
 10 machinery, motor, or engine of any description, whether or  
 11 not such machinery, motor, or engine is the principal source  
 12 of propulsion. The term includes boats temporarily equipped  
 13 with detachable motors or engines but does not include a  
 14 vessel which has a valid marine document issued by the U.S.  
 15 coast guard of the United States government or any federal  
 16 agency successor thereto.

17 (7)(8) "Operate" means to navigate or otherwise use a  
 18 motorboat or a vessel.

19 (8)(9) "Operator" means the person who navigates,  
 20 drives, or is otherwise in immediate control of a motorboat  
 21 or vessel.

22 (9)(10) "Owner" means a person, other than a lien  
 23 holder, having the property in or title to a motorboat or  
 24 vessel. The term includes a person entitled to the use or  
 25 possession of a motorboat or vessel subject to an interest

1 in another person, reserved or created by an agreement  
 2 securing payment or performance of an obligation, but the  
 3 term excludes a lessee under a lease not intended as  
 4 security.

5 ~~(10)~~(11) "Passenger" means every person carried on  
 6 board a vessel other than:

- 7 (a) the owner or his representative;
- 8 (b) the operator;
- 9 (c) bona fide members of the crew engaged in the  
 10 business of the vessel who have contributed no consideration  
 11 for their carriage and who are paid for their services; or
- 12 (d) any guest on board a vessel which is being used  
 13 exclusively for pleasure purposes who has not contributed  
 14 any consideration, directly or indirectly, for his carriage.

15 ~~(11)~~(12) "Person" means an individual, partnership,  
 16 firm, corporation, association, or other entity.

17 ~~(12)~~(13) "Uniform state waterway marking system" means  
 18 one of two categories:

- 19 (a) a system of aids to navigation to supplement the  
 20 federal system of marking in state waters;
- 21 (b) a system of regulatory markers to warn a vessel  
 22 operator of dangers or to provide general information and  
 23 directions.

24 ~~(13)~~(14) "Vessel" means every description of  
 25 watercraft, unless otherwise defined by the department,

1 other than a seaplane on the water, used or capable of being  
 2 used as a means of transportation on water.

3 ~~(14)~~(15) "Waters of this state" means any waters within  
 4 the territorial limits of this state."

5 NEW SECTION. Section 2. Certificate of ownership. (1)  
 6 No vessel equal to or exceeding 11 feet in length, excluding  
 7 canoes and kayaks, may be operated on the waters of this  
 8 state unless a certificate of ownership is obtained from the  
 9 division of motor vehicles.

10 (2) The owner of the vessel shall apply, on forms  
 11 prepared and furnished by the division, for a certificate of  
 12 ownership with the county treasurer of the county in which  
 13 the owner resides.

14 (3) The application must be signed by at least one  
 15 owner or by a properly authorized officer or representative  
 16 of the owner.

17 (4) If a certificate of ownership has previously been  
 18 issued, the application for a new certificate must be  
 19 accompanied by the immediately previous certificate. This  
 20 subsection does not apply to vessels that are purchased as  
 21 new and unused crafts or that were operated before January  
 22 1, 1982.

23 (5) Upon receipt of the completed application, the  
 24 county treasurer shall issue to the applicant two copies of  
 25 the application, with one marked "file copy". The treasurer



1 shall forward one copy and the original application to the  
 2 division, which shall enter the information contained in the  
 3 application upon the corresponding records of its office,  
 4 and shall furnish the applicant a certificate of ownership  
 5 containing information from the application considered  
 6 necessary by the division and a permanent ownership number.  
 7 The certificate of ownership is not required to be renewed  
 8 annually and is valid as long as the person holding it owns  
 9 the vessel.

10 (6) The owner shall at all times retain possession of  
 11 the certificate of ownership, except when it is being  
 12 transmitted to and from the division for endorsement or  
 13 cancellation.

14 (7) Upon application for a certificate of ownership, a  
 15 fee of \$3 must be paid to the county treasurer, \$2 of which  
 16 must be forwarded by the county treasurer to the division of  
 17 motor vehicles and deposited in the motor vehicle recording  
 18 account of the earmarked revenue fund.

19 (8) No provision in this section prohibits an owner of  
 20 a vessel under 11 feet in length or a canoe or kayak from  
 21 applying for and receiving a certificate of ownership under  
 22 subsections (1) through (7).

23 NEW SECTION. Section 3. Transfer of interest. (1)  
 24 Except as provided in subsection (3), upon transfer of any  
 25 certificate of ownership to a registered vessel the person

1 whose title or interest is to be transferred shall sign the  
 2 certificate of ownership issued for the vessel. This  
 3 signature must be acknowledged before a notary public.

4 (2) Within 20 calendar days thereafter, the transferee  
 5 shall apply for transfer of the endorsed certificate of  
 6 ownership with the county treasurer of the county in which  
 7 the transferee resides and also apply for registration of  
 8 the vessel. The county treasurer shall forward the  
 9 application to the division of motor vehicles, which shall  
 10 file it upon receipt. No certificate of ownership may be  
 11 issued by the division until the outstanding certificates  
 12 are surrendered to that office or their loss is established.  
 13 The county treasurer shall collect a fee of \$3 for each  
 14 application for transfer of ownership, \$2 of which must be  
 15 forwarded to the division of motor vehicles for deposit in  
 16 the motor vehicle recording account of the earmarked revenue  
 17 fund.

18 (3) A purchaser of a new or used vessel from a  
 19 licensed dealer has a grace period of 20 calendar days from  
 20 the date of purchase to register the vessel and apply for a  
 21 certificate of ownership. It is not a violation for the  
 22 purchaser to operate a newly acquired vessel without a  
 23 certificate of ownership or certificate of registration  
 24 during the 20-day period. During this period the sticker,  
 25 provided for in subsection (4), shall remain affixed to the

1 vessel.

2 (4) Before delivery of a vessel to the purchaser, the  
3 dealer shall issue and affix to the vessel a sticker (in a  
4 form to be prescribed by the division of motor vehicles).  
5 The sticker must contain the name and address of the  
6 purchaser, the date of sale, the name and address of the  
7 dealer, and a description of the vessel, including its  
8 serial number. The dealer shall keep a copy of the sticker  
9 for his records and shall send a copy of the sticker to the  
10 division.

11 (5) The provisions of subsection (2) of this section  
12 do not apply to the transfer of a vessel to a licensed  
13 dealer intending to resell the vessel and who operates it  
14 only for demonstration purposes, but every dealer, upon  
15 transferring the interest, shall deliver the certificate of  
16 ownership with an application for a new certificate executed  
17 by the new owner. The division, upon receipt of the  
18 certificate of ownership and application for a new  
19 certificate, together with the conditional sales contract or  
20 other lien, if any, shall issue a new certificate of  
21 ownership together with a statement of any conditional sales  
22 contract, mortgage, or other lien.

23 NEW SECTION. Section 4. Lost or mutilated  
24 certificates. If a certificate of ownership is lost,  
25 mutilated, or becomes illegible, the person to whom it was

1 mutilated, or becomes illegible, the person to whom it was  
2 issued shall immediately apply for and obtain a duplicate,  
3 upon payment of a fee of \$2 to the county treasurer.

4 Section 5. Section 23-2-512, MCA, is amended to read:

5 "23-2-512. Identification number. (1) The owner of  
6 each motorboat requiring numbering by this state shall file  
7 an application for number in the office of the county  
8 treasurer where the motorboat is owned or taxable on forms  
9 prepared and furnished by the division of motor vehicles.  
10 The application must be signed by the owner of the motorboat  
11 and be accompanied by a fee of \$1. Any alteration, change,  
12 or false statement contained in the application will render  
13 the certificate of number void. Upon receipt of the  
14 application in approved form, the county treasurer shall  
15 issue to the applicant a certificate of number prepared and  
16 furnished by the division of motor vehicles, stating the  
17 number assigned to the motorboat and the name and address of  
18 the owner.

19 (2) Before filing the application with the county  
20 treasurer, the applicant shall submit it to the county  
21 assessor, who shall enter on the application, in a space to  
22 be provided for that purpose, the market value and taxable  
23 value of the motorboat for the year for which the  
24 application for registration is made.

25 (3) The applicant, upon the filing of the application,

1 shall pay to the county treasurer the registration fee and  
 2 the personal property taxes assessed against the motorboat  
 3 or vessel for the current year of registration before the  
 4 application for registration or reregistration may be  
 5 accepted by the county treasurer.

6 (4) Should the ownership of a motorboat change, a new  
 7 application form with fee must be filed within a reasonable  
 8 time with the county treasurer and a new certificate of  
 9 number assigned in the same manner as provided for in an  
 10 original assignment of number.

11 (5) If an agency of the United States government has  
 12 in force a comprehensive system of identification numbering  
 13 for motorboats in the United States, the numbering system  
 14 employed pursuant to this part by the division of motor  
 15 vehicles must be in conformity.

16 (6) Every certificate of number and the license decals  
 17 assigned under this part continues in effect for a period  
 18 not to exceed 1 year unless terminated or discontinued in  
 19 accordance with the provisions of this part. Certificates of  
 20 number and license decals must show the date of expiration  
 21 and may be renewed by the owner in the same manner provided  
 22 for in the initial securing of the certificate.

23 (7) Certificates of number expire on ~~April 30~~ January  
 24 1 of each year and may not be in effect unless renewed under  
 25 this part.

1 (8) In event of transfer of ownership, the purchaser  
 2 shall furnish the county treasurer notice within a  
 3 reasonable time of the acquisition of all or any part of his  
 4 interest, other than the creation of a security interest, in  
 5 a motorboat numbered in this state or of the loss, theft,  
 6 destruction, or abandonment of the motorboat. The transfer,  
 7 loss, theft, destruction, or abandonment terminates the  
 8 certificate of number for the motorboat. Recovery from theft  
 9 or transfer of a part interest that does not affect the  
 10 owner's right to operate the motorboat does not terminate  
 11 the certificate of number.

12 (9) A holder of a certificate of number shall notify  
 13 the county treasurer within reasonable time if his address  
 14 no longer conforms to the address appearing on the  
 15 certificate and furnish the county treasurer with his new  
 16 address. The division of motor vehicles may provide by rule  
 17 for the surrender of the certificate bearing the former  
 18 address and its replacement with a certificate bearing the  
 19 new address or the alteration of an outstanding certificate  
 20 to show the new address of the holder.

21 (10) (a) The number assigned must be painted on or  
 22 attached to each outboard side of the forward half of the  
 23 motorboat or, if there are no such sides, at a corresponding  
 24 location on both outboard sides of the foredeck of the  
 25 motorboat. The number assigned must read from left to right

1 in Arabic numerals and block characters of good proportion  
 2 at least 3 inches tall excluding border or trim of a color  
 3 that contrasts with the color of the background and be so  
 4 maintained as to be clearly visible and legible. The number  
 5 may not be placed on the obscured underside of the flared  
 6 bow where it cannot be easily seen from another vessel or  
 7 ashore. No numerals, letters, or devices other than those  
 8 used in connection with the identifying number issued may be  
 9 placed in the proximity of the identifying number. No  
 10 numerals, letters, or devices that might interfere with the  
 11 ready identification of the motorboat by its identifying  
 12 number may be carried as to interfere with the motorboat's  
 13 identification. No number other than the number and license  
 14 decal assigned to a motorboat or granted reciprocity under  
 15 this part may be painted, attached, or otherwise displayed  
 16 on either side of the forward half of the motorboat.

17 (b) The certificate of number shall be pocket size and  
 18 available to federal, state, or local law enforcement  
 19 officers at all reasonable times for inspection on the  
 20 motorboat whenever the motorboat is on waters of this state.

21 (c) Boat liveries are not required to have the  
 22 certificate of number on board each motorboat, but a rental  
 23 agreement must be carried on board livery motorboats in  
 24 place of the certificate of number.

25 (11) Fees collected under this section shall be

1 transmitted to the state treasurer who shall deposit the  
 2 fees in the motorboat certificate identification account of  
 3 an earmarked revenue fund. These fees shall be used only for  
 4 the administration and enforcement of this part, as amended.

5 (12) An owner of a motorboat must within a reasonable  
 6 time notify the division of motor vehicles, giving the  
 7 motorboat's identifying number and the owner's name when  
 8 that motorboat becomes documented as a vessel of the United  
 9 States or is transferred, lost, destroyed, abandoned, or  
 10 frauded or within 60 days after change of state of principal  
 11 use."

12 Section 6. Codification instruction. Sections 2  
 13 through 4 are intended to be codified as an integral part of  
 14 Title 23, chapter 2, part 5, and the provisions of Title 23,  
 15 chapter 2, apply to sections 2 through 4.

16 Section 7. Effective date. This act is effective  
 17 January 1, 1982.

-End-